

WRIGHT COUNTY, IOWA

URBAN RENEWAL PLAN AMENDMENT  
2016 WRIGHT COUNTY AGRIBUSINESS URBAN RENEWAL AREA

January, 2018

The Urban Renewal Plan (the "Plan") for the 2016 Wright County Agribusiness Urban Renewal Area (the "Urban Renewal Area") for Wright County, Iowa (the "County") is being amended for the purposes of adding certain property to the Urban Renewal Area and identifying a new urban renewal project to be undertaken therein.

**1) Addition of Property.** The real property (the "Property") legally described on Exhibit A hereto is, by virtue of this Amendment, being added as the January, 2018 Addition to the Urban Renewal Area. With the adoption of this Amendment, the County will designate the Property as an economic development area. The Property will become subject to the provisions of the Plan for the Urban Renewal Area.

**2) Identification of Projects.** By virtue of this amendment, the list of authorized urban renewal projects in the Plan is hereby amended to include the following project:

**Name of Project:** Educational Facilities Enhancement Project

**Name of Urban Renewal Area:** 2016 Wright County Agribusiness Urban Renewal Area

**Date of Council Approval of Program:** January 8, 2018

**Description of Program:** The County, in recognition of the critical role played by schools in promoting and maintaining a positive economic development climate in the Urban Renewal Area, has determined to use tax increment financing to support the enhancement of educational facilities in the Urban Renewal Area, including the construction of a new elementary school (the "Project") by the Eagle Grove Community School District (the "District"). The County will fund an economic development grant in the amount of \$1,000,000 to the District for the construction of the Project.

**Description of Public Infrastructure:** It is not anticipated that the County will install public infrastructure in connection with the carrying out of this Project.

**Description of Properties to be Acquired in Connection with Program:** It is not anticipated that the County will acquire real property in connection with the carrying out of this Project.

**Description of Use of TIF:** The County intends to use tax increment financing to provide economic development support to the Project. It is anticipated that the County's use of incremental property tax revenues for the Project will not exceed \$1,500,000 (including legal and administrative fees incurred with the authorization of the Project).

**Analysis of Use of TIF:** In accordance with the requirement of Section 403.5(2)(b)(1) of the Code of Iowa, the County has analyzed its proposed use of incremental property tax revenues for the funding of the Project and alternative development and funding options for the Project. The results of that analysis are summarized as follows:

1) Alternate Development Options: The Board of Supervisors has determined that a need exists for superior educational facilities in the Urban Renewal Area. The Project will contribute to the revitalization of industrial and commercial development in the County through the provision of enhanced educational facilities. There are no other development options feasible on the Property on which the Project will be constructed.

2) Alternate Financing Options:

\* Tax increment financing will be utilized to cover only a fraction of the cost of the Project.

\* Local Option Sales and Services Tax Revenues: Local Option Sales and Services Tax Revenues are unavailable to assist with the Project because such Revenues have been allocated to fund projects that will lessen the property tax burden for constituents in rural areas of the County, as required by the County's Local Option Sales and Services Tax Revenues ballot.

\* Property Tax Levies/General Fund: The annual proceeds from the County's property tax levies are fully committed to maintain the operational integrity of the County. Further, the County cannot access its General Fund reserves to aid in the Project funding without risking unsound fiscal practice.

\* Debt Service Levy: The City Council has determined that the debt service levy rate should not be raised for the Project. Instead, the County will use funds from the issuance of Urban Renewal Tax Increment Revenue Bonds to fund its share of the Project. The use of tax increment financing will lessen the burden on individual taxpayers that would result from a spike in the debt service levy rate and will shift that burden onto valuation increases resulting from the County's successful economic development initiatives in the Urban Renewal Area.

\* The Eagle Gove Community District: The Eagle Grove Community School District has contributed funds to pay for approximately eighty percent (80%) of the Project costs.

**3) Required Financial Information.** The following information is provided in accordance with the requirements of Section 403.17 of the Code of Iowa:

Constitutional debt limit of the County:	<u>\$77,375,295</u>
Outstanding general obligation debt of the County:	<u>\$</u>
Proposed debt to be incurred in connection with January, 2018 Amendment*	<u>\$ 1,500,000</u>

\*It is anticipated that some or all of the debt incurred hereunder will be subject to annual appropriation by the County Council

EXHIBIT A  
2016 WRIGHT COUNTY AGRIBUSINESS URBAN RENEWAL AREA  
JANUARY, 2018 ADDITION

Certain real property situated in Wright County, Iowa more particularly described as follows:

Commencing at the Southeast corner of the Northeast Quarter of Section Twenty-eight (28), Township Ninety-one (91) North, Range Twenty-six (26), West of the Fifth P.M., Iowa, thence West nine hundred ninety six (996) feet, thence North parallel with the East line of said Northeast quarter, eight hundred fifty-five (855) feet, thence East nine hundred ninety six (996) feet, thence South to point of beginning.

And, that portion of NW 4<sup>th</sup> Street from Highway 17 to the above mentioned property in the City of Eagle Grove.